

# FISCAL NOTE

**Bill #:** HB0576

**Title:** Eliminate office of economic development

**Primary Sponsor:** Buzzas, R

**Status:** As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

	<b><u>FY 2004 Difference</u></b>	<b><u>FY 2005 Difference</u></b>
<b>Expenditures:</b>		
General Fund	(\$688,905)	(\$689,575)
State Special Revenue	\$0	\$0
<b>Revenue:</b>		
General Fund	\$0	\$0
<b>Net Impact on General Fund Balance:</b>	<b>\$688,905</b>	<b>\$689,575</b>

- |   |  |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact    | <input type="checkbox"/> Technical Concerns                      |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           |
| <input type="checkbox"/> Dedicated Revenue Form Attached  | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

## Fiscal Analysis

### ASSUMPTIONS:

1. HB 576 eliminates the Office of Economic Development in the Governor's Office and transfers certain responsibilities to the Department of Commerce.
2. Section 5 and 6 of HB 576 replace the Office of Economic Development with the Department of Commerce in regards to cooperation of state agencies and rulemaking authority. Since the Department of Commerce previously had these responsibilities, it would assume said duties at no fiscal impact to the agency.
3. However, the Department of Commerce does not have the resources or the staff to assume any of the duties, responsibilities, or programs currently performed by the Office of Economic Development. For the purposes of this fiscal note, it is assumed that all economic development efforts currently under the purview and jurisdiction of the Office of Economic Development would be terminated on July 1, 2003.
4. This fiscal note only addresses HB 2 authority that this bill proposes to terminate. The \$175,000 per year statutory appropriation from the coal severance tax to the Office of Economic Development in the Governor's Office has already been eliminated in the Governor's Budget, and is currently addressed in HB 136.
5. Administrative authority received by the Office of Economic Development for workforce development (1.00 FTE and operating costs) would be transferred to the Department of Commerce.

**Fiscal Note Request HB0576, As Introduced**  
(continued)

FISCAL IMPACT:

	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
<b>Governor's Office</b>		
FTE	(7.00)	(7.00)

Expenditures:

Personal Services	(\$427,846)	(\$426,968)
Operating Expenses	<u>(376,719)</u>	<u>(378,533)</u>
TOTAL	(\$804,565)	(\$805,501)

Funding of Expenditures:

General Fund (01)	(\$688,905)	(\$689,575)
State Special Revenue (02)	<u>(115,660)</u>	<u>(115,926)</u>
TOTAL	(\$804,565)	(\$805,501)

Revenues:

General Fund (01)	\$0	\$0
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**Department of Commerce**

FTE	1.00	1.00
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Expenditures:

Personal Services	\$49,176	\$49,074
Operating Expenses	<u>66,484</u>	<u>66,852</u>
TOTAL	\$115,660	\$115,926

Funding of Expenditures:

General Fund (01)	\$0	\$0
State Special Revenue (02)	\$115,660	\$115,926

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	\$688,905	\$689,575
State Special Revenue (02)	\$0	\$0